

REPORT and STATEMENT
**DOMINION BRIDGE
COMPANY LIMITED**

FOR YEAR ENDED
31st OCTOBER

1945



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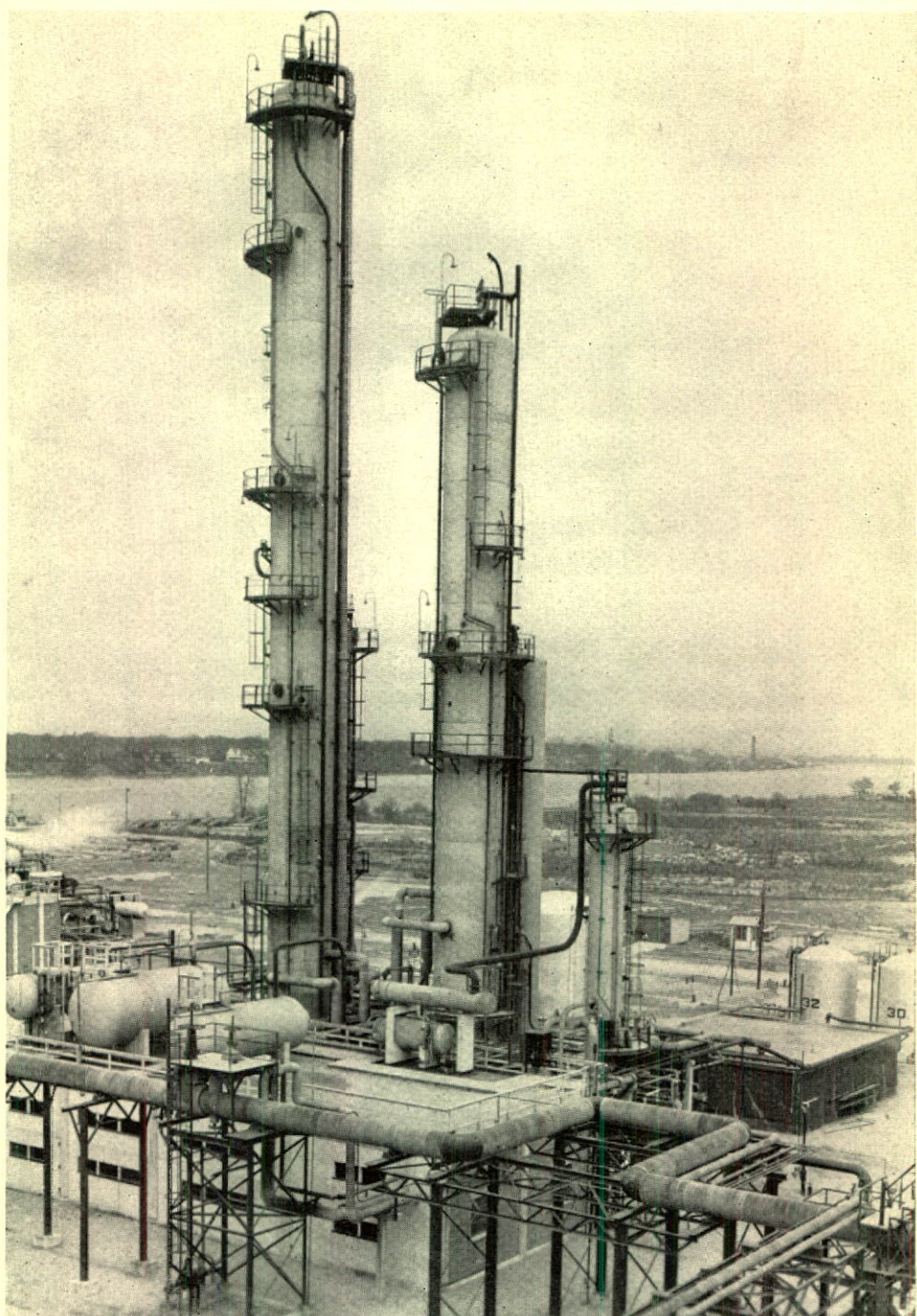
FEB 20 1946

McGILL UNIVERSITY

ANNUAL
REPORT

*For the Fiscal Year
Ended 31st October*

1945



Towers and Vessels fabricated by Dominion Bridge Company for the Polymer Corporation at Sarnia.

The B.B. Extractor Tower at the left is the largest vessel of its kind ever built in Canada. Length 165 ft. 4 in., Inside diameter 10 ft. 6 in., Weight 138½ tons without auxiliary fittings.

DOMINION BRIDGE COMPANY LIMITED

DIRECTORS

G. H. DUGGAN.....	Chairman of the Board
W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
L. J. BELNAP.....	Montreal
JOHN BURNS.....	Calgary
C. H. CARLISLE.....	Toronto
NORMAN J. DAWES.....	Montreal
T. R. DEACON.....	Winnipeg
ROSS H. McMASTER.....	Montreal
G. H. MONTGOMERY, K.C.....	Montreal
HOWARD MURRAY.....	Montreal
W. G. MURRIN.....	Vancouver
PAUL F. SISE.....	Montreal
R. E. STAVERT.....	Montreal
H. G. WELSFORD.....	Montreal
JAMES WILSON.....	Montreal
MORRIS W. WILSON.....	Montreal

HEAD OFFICE - LACHINE, P.Q.
F. W. EVENS—Secretary-Treasurer

EXECUTIVE OFFICERS

W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
S. W. CAMPBELL.....	Vice-President and Manager Western Division
F. P. SHEARWOOD.....	Consulting Engineer
J. L. HEALD.....	Comptroller
F. W. EVENS.....	Secretary-Treasurer

MANUFACTURING DIVISIONS AND OFFICES

Eastern Division.....	A. H. COWIE.....	Manager, Lachine, P.Q.
Ontario Division.....	G. P. WILBUR.....	Manager, Toronto, Ont.
Western Division.....	S. W. CAMPBELL.....	Vice-President, Winnipeg, Man.
Pacific Division.....	A. S. GENTLES.....	Manager, Vancouver, B.C.

BRANCH PLANTS

AMHERST, N.S.....	J. F. F. MacKENZIE.....	Local Manager
OTTAWA, ONT.....	W. E. McHUGH.....	Local Manager
CALGARY, ALTA.....	J. P. CARROLL.....	Local Manager

AGENCIES

REGINA, SASK.....	H. CRABTREE, Agent.....	1769 Hamilton Street
EDMONTON, ALTA.....		

DOMINION BRIDGE COMPANY LIMITED

22nd January, 1946.

To the Shareholders of

DOMINION BRIDGE COMPANY, LIMITED

Your Directors submit the Annual Report of the Company, together with Balance Sheet as at 31st October, 1945, and Profit and Loss Account for the year ended that date.

The result of the year's operations shows a net profit of \$829,712.23 after making provision for Depreciation to the extent of \$493,852.57 and providing for Income and Excess Profits Tax payable, for which there has been reserved the sum of \$2,595,045.76 of which approximately \$336,000.00 is refundable.

Working Capital as of 31st October, 1945 stands at \$11,097,000.00 in round figures, as compared with \$10,851,000.00 at the end of the previous year, an increase of \$246,000.00.

Additions to Fixed Assets during the year amounted to \$203,000.00.

You will note that a further substantial instalment has been paid on the cost of Past Service income credits under the Pension Plan.

It is estimated that considerably more than fifty percent of the total cost of these Past Service benefits has now been discharged, and, as mentioned in last year's report, these payments are allowable as deductions from taxable income over a period of years.

In 1931 your Company acquired a seventy-five percent interest in the Standard Iron Works Limited, Edmonton.

That Company has now become a wholly owned subsidiary by the purchase of the balance of the outstanding shares, and its assets and liabilities have, therefore, been incorporated in the consolidated Balance Sheet now before you.

The overall renegotiation of profits on war contracts which were completed up to the 31st October, 1944 was concluded during the year. This resulted in a reduction of the refundable portion of Excess Profits Tax amounting to approximately \$850,000.00 before the addition of this year's portion.

A further effect of the renegotiation may be noted in the adjustment of the Company's surplus.

Stocks of raw material and manufacturing supplies are well assorted and saleable and inventories have been taken at conservative prices.

At the close of hostilities all orders for munitions and war materials were cancelled. This entailed a considerable reduction

DOMINION BRIDGE COMPANY LIMITED

in personnel, but every effort is being made to retain as many of our staff as possible.

Those of our employees who have returned to us from the Armed Services have been re-absorbed into the organization.

Work at the United Shipyards Limited ceased with the cancellation of all outstanding orders and the Yard has now been handed over to the War Assets Corporation.

During the period in which the Yard was operating, forty-five 10,000-ton cargo ships were delivered.

In addition to the above, six Transport Ferries were laid down, three of which were launched with outfitting partially completed, the other three being scrapped after the hull construction was well advanced. Also, extensive alterations to two large passenger ships were carried out.

Orders and enquiries for commercial products of your Company are gratifying and all of your major plants are well provided with work and we look forward to a busy year.

On May 22nd last, Mr. A. A. Hodgson, who had been a member of the Board for many years, decided to retire and your Directors accepted his resignation with regret.

Mr. R. E. Stavert, President of The Consolidated Mining & Smelting Company of Canada Limited, was appointed a Director in his place.

Your Directors have declared quarterly dividends of 30c per share, a total of \$1.20 for the year.

Your Directors wish to record their appreciation of the loyalty and efficiency of the staff and employees throughout the Company's entire organization.

Meetings of your Board of Directors have been held regularly, the books of your Company have been audited and the certificate of your Auditors appears on the Financial Statement herewith submitted.

By Order of the Board of Directors,

W. F. ANGUS,
President.

DOMINION BRIDGE

AND ENTIRELY OWNED S

CONSOLIDATED BALANCE SHEET

ASSETS

Fixed Assets:

Real Estate, Plant, Machinery and Equipment.....	\$19,559,130.02	
<u>Less:</u> Depreciation Reserve.....	13,051,967.10	
Cost less amounts written off.		\$ 6,507,162.92
Investments in Partly Owned Subsidiaries at Book Value.....		2,041,577.76
Investments in Other Companies at Book Value—less Reserve.....		91,805.29
		<u>\$ 8,640,545.97</u>

Current Assets:

Cash on Hand and in Bank.....		1,829,992.85
Government and Other Bonds and Securities (Approximate Market Value \$3,765,102.91)		3,520,918.61
Deposits on Tenders.....		83,523.70
Expenditure on Uncompleted Contracts at Standard Cost, less Reserve.....	\$18,343,064.66	
<u>Less:</u> Amounts received on account....	15,312,041.03	
		3,031,023.63
Accounts and Bills Receivable less Reserve for Doubtful Accounts.....		2,492,204.24
Stock of Steel, Supplies and Small Tools at Cost, which is less than market value—less Reserve.....		4,000,241.24
		<u>14,957,904.27</u>

2,649 Fully Paid No Par Value Shares

held by Trust Companies for sale to employees of Dominion Bridge Company, Limited.....		40,084.10
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Suspended Assets:

Unexpired Insurance Premiums, Taxes and Deferred Charges.....	187,206.83	
Refundable portion of Excess Profits Tax	1,834,743.02	
		<u>2,021,949.85</u>
		<u><u>\$25,660,484.19</u></u>

W. F. ANGUS, *Director*

G. H. DUGGAN, *Director*

COMPANY LIMITED

SUBSIDIARY COMPANIES

ET AS AT 31st OCTOBER, 1945

LIABILITIES

Capital Stock:

Authorized:	
600,000 Shares of No Par Value.	
Issued:	
513,951 Shares of No Par Value.....	\$15,921,366.00

Reserve Accounts:

For Plant Extensions and Betterments.....	\$ 1,000,000.00	
For Accidents in Erection.....	181,358.36	
		1,181,358.36

<u>Refundable Portion of Excess Profits Tax</u>	1,834,743.02
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Earned Surplus Account:

Balance as per Profit and Loss Account.....	2,862,622.86
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Current Liabilities:

Dividend payable 24th November, 1945.....	154,185.30	
Reserve for Taxes.....	1,114,556.16	
Sundry Accounts Payable.....	2,591,652.49	
		3,860,393.95

\$25,660,484.19

Montreal, 12th January, 1946.

Submitted in accordance with our Report of even date on the Consolidated Balance Sheet of Dominion Bridge Company, Limited and Entirely Owned Subsidiary Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON, *Chartered Accountants,*
Auditors.

DOMINION BRIDGE COMPANY LIMITED

AND

ENTIRELY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER, 1945

Profits from Contracts, Interest and Exchange and Miscellaneous Income.....	\$ 4,376,300.34
Revenue from Investments.....	342,164.65
Profit on sale of Equipment and Bonds (net).....	38,121.80
	\$ 4,756,586.79

Deduct:

Directors' Fees.....	\$ 25,440.00	
Executive Salaries.....	85,000.00	
Legal Fees.....	343.45	
Reserve for Taxes (including refundable portion of Excess Profits Tax).....	2,595,045.76	
Depreciation on Plant, Machinery, etc.....	493,852.57	
Pension Fund—Contribution in respect of employees' past service.....	727,192.78	
		3,926,874.56
		829,712.23

Add:

Balance at Credit 1st November, 1944.....	3,012,104.45	
Portion of Surplus of Subsidiary Company not previously consolidated.....	35,991.14	
		3,048,095.59
<u>Less:</u> Adjustment of prior years' profit in respect of Contract Price adjustments and Income Tax.....	398,443.76	
		2,649,651.83
		3,479,364.06

Deduct:

Dividend for year.....	616,741.20	
Balance as at 31st October, 1945, as per Balance Sheet		\$ 2,862,622.86

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER STREET, MONTREAL

12th January, 1946.

To the Shareholders,

DOMINION BRIDGE COMPANY, LIMITED

We have examined the Books and Accounts of Dominion Bridge Company, Limited and its entirely owned Subsidiary Companies for the year ended 31st October, 1945, and report thereon as follows:

The Inventories of Stock on Hand, as certified by responsible officials of the various companies, have been valued on a conservative basis.

The Investments in which your Company is interested have been verified by actual inspection of the Securities or by certificate from the Depositories in the cases where the Securities are deposited for safe custody or as security.

In accordance with Section 114 of the Dominion Companies' Act we report that dividends received from partly owned subsidiaries, and included in these accounts are so far as they concern this Company in excess of the aggregate profits less losses of these subsidiaries for the year by \$28,895.84 and to that extent have been paid from Surplus.

We report that we have obtained all the information and explanations we have required and, in our opinion, the accompanying Balance Sheet as at 31st October, 1945, is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON,

CHARTERED ACCOUNTANTS,

Auditors.



